

MAIDSTONE BOROUGH COUNCIL

MEMBER AND EMPLOYMENT AND DEVELOPMENT PANEL

WEDNESDAY 9 JULY 2014

REPORT OF CHIEF EXECUTIVE

Report prepared by Dena Smart
Head of HR Shared Services

1. PROPOSED CHANGES TO STAFF TERMS AND CONDITIONS

1.1 Issue for Decision

1.1.1 To confirm the changes which have been negotiated with trade unions in connection with the pay award for 2014/15.

1.2 Recommendation of Chief Executive

1.2.1 That the link to National Joint Council (NJC) terms and conditions is removed from all contracts of employment.

1.2.2 That the annual leave entitlements are reduced for new employees in line with the levels negotiated with the trade unions.

1.2.3 That unsocial hour's allowances are removed from the council's allowances subject to the exceptions set out in the report below.

1.3 Reasons for Recommendation

1.3.1 The council has been on local pay since the early 1990's when it came away from the NJC rates and introduced the HAY pay scale. As part of this the council set up local pay bargaining with the trade unions which are set out in the trade union collective agreement, these processes have been followed very effectively and have enabled the council to deliver considerable change with minimal employee relation difficulties. We consult on the pay award every year through this process and in some years there have been changes to other terms and conditions associated with the pay consultations. In the current process we have used the opportunity to streamline some of our policies and terms and also used it as an opportunity to move some of our policies closer to those of our Mid Kent Improvement Partnership (MKIP) councils. The briefing note that went to all staff is attached at Appendix A which sets out the full extent of the proposed changes. The Member and

Employment and Development Panel is the non-executive committee that has responsibility for setting employee terms and conditions and would need to confirm agreement to any significant contractual variation (this would not include policy changes such as work/life balance policies as these are not contractual); the MEDP is not responsible for the agreement of the pay award as this is a budgetary responsibility of the Cabinet. Although several of the proposed changes are minor policy changes some are significant changes to terms and conditions and these are set out below.

1.3.2 Over the years the council has developed its own employment policies, some of these mirror the NJC terms e.g. maternity leave arrangements, and some are quite different from NJC allowances e.g. car mileage rates. Despite the fact that we have our own terms and conditions our contracts of employment still refer to the NJC and this could be a risk in the future. With the link into the NJC any national level disputes could affect our staff and as we do not place any reliance on the NJC terms the trade unions have been consulted to break this link. The trade unions have not had any issues with this change as it will not make any difference to the employees' terms and conditions as all our own policies superseded the NJC terms.

1.3.3 We have compared the terms and conditions across the MKIP employers and wherever possible have tried to use this opportunity to move them closer together. Although some of the changes are very operational this is largely to assist line managers that have staff in more than one organisation and are trying to manage with three different sets of rules. One example of this is the flexi time policy, all three councils allow staff to work flexi time but the rules differ across the three, this is an unnecessary complication and the consultation process was to gain the trade unions agreement to changing the rules. The three MKIP councils now have an established joint policy group that is working on shared policies and the flexi time policy will be changed through that process.

1.3.4 The comparison of the terms and conditions across the three MKIP councils highlighted that Maidstone was more generous than the other employers on the annual leave policy. Although this is not an immediate direct cost saving the generous holiday entitlements do cause difficulty with cover in some teams. The comparison is in the table below:

Maidstone	Swale	Tunbridge Wells
Grades 1-7 22 (+5); Grades 8-11 - 25(+5); Grades 12-13 27 (+5); Grades 14-16 32 (+5) plus 1 day for 25 years' service	Grades 1 to 3 22 (+5); Grades 4-7 26 (+4); Grades 8-12 30days; Grades 13- 14 32days	Grades A-F 22 (+5) Grade G 24 (+3) Grades H-K 26 (+3) Grades SM3 - CE 32 (+3) additional 5 days for over 30 years LG service

The proposal agreed in principle with the trade unions is that for newly recruited staff the annual leave entitlements would change to:

Grades 1-7 22 days per year (+5 after 5 years' service);
Grades 8-11 – 24 days per year (+3 after 5 years' service);
Grades 12-13 26 days per year (+3 after 5 years' service);
Grades 14-16 32 days per year

The current additional day for 25 years' service would be removed, although those that have already been given this additional day will be allowed to retain it. Staff that change their job will move to the new annual leave scheme with effect from the next annual leave year.

The proposals have only been agreed by the trade union because they give protection to existing employees and this has avoided employee relations issues, however the only area of the proposals that have caused any difficulty relates to the proposal that if an employee moves role they have to take on the new annual leave entitlements.

As the annual leave entitlement is one of our core terms and conditions this change will need to be ratified by the MEDP.

1.3.5 The council has a provision for the payment of unsocial hours, this was linked to the NJC terms and conditions. Neither of the other MKIP councils make additional payments for unsocial hours and in reality this is an allowance that is rarely paid to members of staff at Maidstone. The provision was for time and a half to be paid at night and on Saturdays and double time on Sundays. With the change to work patterns in the last decade this allowance is out of date and where a member of staff knows in advance that they are going to work at an unsocial time this is part of their core contract and they should not receive payment enhancements. The council does have a significant proportion of work undertaken at the weekends through the depot staff but the majority of this is through overtime working and therefore does not attract additional unsocial hours payments.

1.3.6 There are two exceptions to this unsocial hours arrangement. The Civic Officers are currently paid time and one third for 'out of hours' work, this was a rate specifically for that post and we have agreed with the trade unions that the current Civic Officers can retain the enhancement as a 'frozen rate' but any new recruits would know the nature of the role before starting and would therefore be paid at plain time regardless of when they worked.

The second exception relates to work on the Emergency Planning rota. The current arrangements are that members of staff are paid overtime rates if they work on the emergency planning team in addition to their

normal job. There are some inequities in this arrangement as people at very different levels in the organisation may take on the same role in an emergency e.g. Rest Centre Manager but because they are paid overtime on their substantive job they are paid different amounts for doing the same task. There is an agreement with the trade unions that we will review the emergency planning duties and develop a 'rate for the job' some aspect of which may reflect that pay could vary depending on when the shifts are worked.

As the removal in this allowance constitutes a change to terms and conditions the MEDP is asked to ratify the proposal.

1.3.7 Consultation with the trade unions began in March 2014 and the proposals went out to staff in May 2014 followed by a vote amongst union members. There was 100% agreement amongst UNITE members and a 72% yes vote from UNISON. All those aspects of the proposals that would not constitute formal terms and conditions will be implemented with immediate effect but the MEDP ratification is required for the three terms and conditions items.

1.4 Alternative Action and why not Recommended

1.4.1 The MEDP could choose to substitute other options for consultation but this would require further consultation with staff and as the pay increase has been agreed and implemented there may be insufficient leverage to gain agreement.

1.5 Impact on Corporate Objectives

1.5.1 This has a direct impact on employee engagement and is one of the five strands of the council's Workforce Strategy.

1.6 Risk Management

1.6.1 The greatest risk seems to be relating to staff morale as there have been several complaints about the change to annual leave for existing staff when they move to another role within the council and this could discourage people from moving to new positions. This could be mitigated by extending the protection so that all current employees are allowed to remain on the current schemes whilst they remain employed with the council.

1.7 Other Implications

1.7.1

1. Financial
2. Staffing

X

- 3. Legal
- 4. Equality Impact Needs Assessment
- 5. Environmental/Sustainable Development
- 6. Community Safety
- 7. Human Rights Act
- 8. Procurement
- 9. Asset Management

1.7.2 There are no financial implications as the pay award has already been agreed, implemented and is contained within existing budgets.

1.7.3 Staffing implications are explained within the body of the report.

1.8 Relevant Documents

1.8.1 Appendices

Appendix A Pay briefing for staff

IS THIS A KEY DECISION REPORT?

THIS BOX MUST BE COMPLETED

Yes

No

If yes, this is a Key Decision because:

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Wards/Parishes affected:

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